



P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888-225-7377**)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

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Circular Letter

TO: ALL STATE AGENCIES

SUBJECT: 1959 SURVIVOR EMPLOYER CONTRIBUTION FOR FISCAL YEAR
2007-2008

On May 15, 2007, the CalPERS Board of Administration approved the State 5th Level pool employer rates for the 1959 Survivor Pre-retirement Death Benefit. This benefit pays a monthly amount to the survivor(s) of a member who dies while actively working for a state agency that does not participate in the Federal Social Security program. **The employer contribution rate will decrease from \$5.40 for the current fiscal year to \$5.30 per member, per month for fiscal year 2007-2008.**

In addition, for fiscal year 2007-2008, there will be a decrease to the employee contribution rate, to \$5.30 per member per month. The change in the employee contribution rate is in accordance with Section 21581 of the California Public Employees' Retirement Law which states that when the total required premium goes above \$4.00 per member, per month, the employer and employee shall split the total cost evenly.

Currently the funded ratio of the State 5th Level pool on a market value basis is 84.7%. The actual cost of the 1959 Survivor benefit to the employer and employee will vary from year to year due to investment returns and mortality gains and losses experienced by the pool.

The purpose of this transmittal is informational only; the State Controller's Office will be collecting the required premiums from state agencies at a later date.

If you have any questions, please call the Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Ronald L. Seeling, Chief Actuary
Actuarial and Employer Services Branch